USAID-COMPETE PARTNER FUNDING SUPPORT TO EAGC

Monthly Report-April 2011

Introduction

This report from Eastern Africa Grain Council (EAGC) is for the month of April 2011 covering the achievements under USAID-COMPETE funding support to EAGC. The Grant is aimed at strengthening institutional coordination and regional structured grain trading system through integrated regional market information systems, policy and reduced barriers to trade. The objectives of the entire Grant are as follows:

1. To facilitate institutional strengthening to enable EAGC to deliver services to its stakeholders across the region with a particular emphasis on strengthening the capacity of satellite offices in Uganda and Tanzania.
2. To formalize regional agricultural markets and structured trade systems in the Eastern and Southern Africa region through training of trainers in harmonized grains standards, rules of trade (tariffs, simplified certificate of origin (SCO), Sanitary and Phytosanitary Standards (SPS), WRS/Commodities Exchanges and dispute resolution.
3. To expand RATIN into a truly regional market information platform that integrates national MIS providers and provides timely and accurate data and analysis to all value chain participants and is the region's preferred source of market information.
4. To hold a successful Grain Trade Summit in Uganda in October 2011 to discuss the systems required to formalize, strengthen and integrate the regional staple foods value chain, increase stakeholder participation in structured trading systems and promote regional trade and food security.
5. To organize Agribusiness Fairs in Kenya and Tanzania to bring small-scale farmers and FBOs together with leading regional traders and processors to build linkages across the value chain.
6. To engage directly with national governments in the EAC to ensure full adoption and institutionalization of the EAC's harmonized grains standards.

Mr. Gerald Masila, EAGC (L) and Mr. Steve walls, USAID-COMPETE(R) signing the Grant Agreement on 1st April 2011

1. INSTITUTIONAL STRENTHENING

1.1 Annual General Meeting and Luncheon

The 4th Annual General Meeting (AGM) was held on 19th April 2011 at Jacaranda Hotel in Nairobi. The meeting brought together twenty one EAGC members from Kenya, Uganda and Tanzania. Besides the AGM, EAGC organized a Members' Luncheon titled **"Food Security in Malawi; Progress and Challenges-A Smallholder Farmers perspective"** that was attended by 54 EAGC members and partners. The key note address on the title was given by Mr. Joshua Varela, Commercial Director of the National Smallholder Farmers' Association of Malawi (NASFAM).
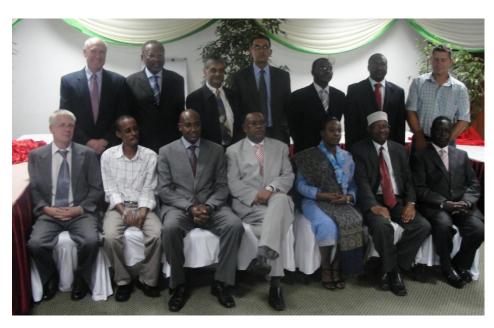
A section of participants at EAGC Members' Luncheon

1.2 EAGC Board

The EAGC Board remains the decision making organ of the council. The secretariat through the Executive Director is responsible to the Board on all matters related to the program.

On 18th April 2011, board committees representing WRS, Private-Public Partnership, Market Information Services, and Finance and Administration held meetings to deliberate on progress in their respective components.

There was also a transition in the EAGC board where a new board of directors was elected during the AGM. See below the new and the old board of directors.

Mr. Judah Bett –New EAGC Chairman, (seated middle) with the outgoing and new EAGC Board members and, extreme left (standing) is the immediate former Chairman Mr. Nick Hutchinson.

1.3 Regional and Country Operations

Through the USAID COMPETE Grant, the three country offices in Kenya, Uganda and Tanzania were fully operational. In this regard, EAGC continued to deliver services to its members and stakeholders across the region.

Exterior and interior section of the new EAGC Uganda office-located at Serengeti Block No.2 in the Regency Apartment & Suites

2. PROGRAM ACTIVITIES AND ACHIEVEMENTS

2.1.1 Market Institutions Established and Strengthened

2.1.2 Support to Warehouse Receipt System

In Kenya, EAGC continued to pursue the establishment of the legal and regulatory framework for WRS. The WRS Task force received support from IFC who provided additional legal expertise by contracting the services of a consultant from UK , Mr. Nick Budd, who created a zero draft WRS bill for Kenya that reflects global best practice and his own experience in the field. What is lacking now is the engagement of a local legal firm to refine or review the zero draft to ensure that the draft is consistent with Kenyan Law, the new constitution and meets best practice and precedent locally.

The maize deposited under the WRS scheme in Nakuru was sold in April 2011. The small holder farmers who stored maize when the farm-gate prices were as low as Ksh.1000 per 90kg bag sold maize at Ksh.2500. they were also able to pay back the loan amounting Ksh.200, 000 they acquired from Equity bank.

EAGC in Uganda has continued to play the role of promoting the WRS since Uganda Commodity Exchange (UCE) is mandated to license warehouses in Uganda. EAGC has identified MASSGA warehouse in Masindi as a warehouse to work with in promoting WRS. MASSGA is among the 4 warehouses licensed in Uganda, the others being Agroways Ltd (Jinja), Nyakatonzi and ElShadai in Kasese. MASSGA has been receiving grain from both farmers and traders in Masindi and surrounding districts. Much of the grain received was rejected due to poor quality. To increase the volume of grain deposited under WRS, EAGC will therefore sensitize farmers and traders on the following elements:

- Post-harvest handling and storage
- Bulking and collective marketing
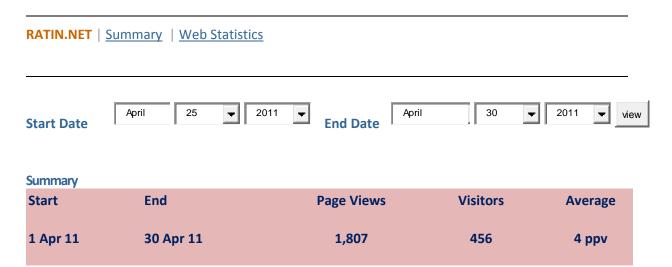- EAC grain quality standards

In Tanzania, EAGC is the main convener of the WRS, Commodity Exchange and Policy Advocacy working groups formed in March 2011. The working groups continued to meet as per their Terms of Reference.

2.2 Agricultural Information Generation, Dissemination and Networking Systems Strengthened

2 .2.1   RATIN

EAGC continued to provide market information through RATIN. The site was kept updated with daily price information for maize, sorghum, millet, beans and rice commodities throughout the period. A total of 18 markets (8 in Tanzania, 6 in Kenya, 4 in Uganda and 4 in Rwanda) were monitored.

Cross-border flow data for 5 border points as monitored by border monitors was also uploaded on RATIN website on monthly basis.

RATIN.NET | Summary | Web Statistics

Start Date | April | 25 | 2011 | **End Date** | April | 30 | 2011 | view

Summary

Start	End	Page Views	Visitors	Average
1 Apr 11	30 Apr 11	1,807	456	4 ppv

2.2.2   Market information dissemination

Both EGT Africa and RATIN websites were kept active with daily updates on prices and cross border volumes. Other information dissemination channels including SMS facility, weekly bulletin and emails were used to distribute information to the stakeholders.

In this period, EAGC signed a MoU with Farm-Gain to code share the SMS Commodity Market Information facility in Uganda. Engagement with Farm- Gain will assure consistent information flow and coverage of up to 10 districts within Uganda using code 8198. The SMS facility code 8000 in Kenya has been functional throughout the period. Tanzania code experienced problems and various options are being pursued to address the issue.

2.2.3   Cross Border Trade flows

Cross border trade flows monitoring continued covering the five border points; Busia, Namanga, Isebania, Mutukula and Gatuna.

2.3. Grain Value Chain Stakeholder Capacity Built

2.3.1 Annual Agribusiness Fair

The preparation for the 9th Annual Agribusiness Fair 2011 in Kenya is underway. The Fair jointly organized with CGA and Rift valley institute of Science & Technology (RVIST) will be held on 28th-29th July 2011 in Nakuru. The fair's theme is "ENHANCING RETURNS ON AGRI- BUSINESS INVESTMENT; OPPORTUNITIES & CHALLENGES".

The preparation for the demonstration plots by CGA is ongoing and 21 seed and fertilizer companies have been allocated plots at the demonstration site. Request for proposals to manage the event were circulated to the identified event management firms for competitive bidding. A selection panel including a representative from USAID-COMPETE was formed. On 27th April 2011 the selection process was done and two companies were shortlisted; Soho Industrial Ltd was awarded the tender for event organizing while Corporate Reflection Ltd was awarded the tender for Public and Media Relations.

Preparation of the Demonstration Site

A meeting on preparation of the Agribusiness Fair 2011 was held in Nakuru at Rift valley institute of Science & Technology (RVIST) on 29th April 2011. EAGC, RVIST, CGA and Ministry of Agriculture participated in the meeting.

Agribusiness fair committee on site viewing

2.3.2 Biannual African Grain Trade Summit

It has now been confirmed that the 4th Biannual African Grain Trade Summit will be held on 14th-15th October 2011 at Munyonyo Speke Resort in Kampala, Uganda. The preparations started in April where Request for Proposals (RFP) to organize the event was circulated to some of the identified event management firms. The selection of the event organizer is expected in May 2011.

Tentative themes and topics have been identified and are currently under review before they are circulated the stakeholders.

Tentative theme:

"Strengthening Strategic Partnerships for Accelerated Grain Trade in Africa''

Tentative topics:

1. Investment across grain value-chain though Public-Private Partnerships (PPPs)
   - Opportunities for Investments
   - Attracting Private Investors to African Public-Private Partnerships
2. Private sector involvement in public sector trade policy development & reforms
   - Stimulating private sector involvement in policy formulation
3. Regional integration
   - Development of Regional Food balance Sheet for Food Security
   - Facilitation of Bilateral trade across neighboring countries in EAC

Planned Activities for next Month

(i) Preparation of the Agribusiness Fair in Kenya

(ii) Conduct ToT Workshop on Grades and Standards, Rules of Trade, contracts, Risk and alternative disputes mechanism in Rwanda

(iii) Preparation for the ToT Workshop on Grades and Standards, Rules of Trade, contracts, Risk and alternative disputes mechanism in Tanzania

(iv) Engage IT Consultant to upgrade RATIN website

(v) Establish National/Regional Groups on Food Balance Sheet in 7 Countries